



LOUISIANA DEPARTMENT OF INSURANCE
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BULLETIN NO. 06-01

TO: All Health Insurance Issuers, HMOs and Third Party Administrators

FROM: James J. Donelon, Commissioner of Insurance

RE: Submission of Compliance Standards and Procedures for Non-Electronic and Electronic Claims Pursuant to R.S. 22:250.31 through 22:250.35

DATE: March 31, 2006

Act 273 of the 2005 Regular Session of the Louisiana Legislature became effective on January 1, 2006, and amended and re-enacted R.S. 22:250.31 through 22:250.35. Bulletin 06-01 is to advise health insurance issuers and health maintenance organizations (hereinafter referred to as HMOs) that they were required to file the below referenced "procedures" with the Louisiana Department of Insurance (Department) on or before January 1, 2006, the effective date of Act 273.

Inasmuch as many health insurance issuers and HMOs have not complied with this deadline, the Department hereby advises all health insurance issuers and HMOs to file the below referenced "procedures" on or before **May 1, 2006**. Failure to file the below referenced "procedures" on or before **May 1, 2006** may be deemed a violation of R.S. 22:250.31 through 22:250.35 and may subject the health insurance issuer or the HMO to legal action.

Pursuant to R.S. 22:250.32.B, health insurance issuers and HMOs are required to submit to the Department, for approval, a document entitled "Prompt Payment Procedures Plan For Non-Electronic Claims" detailing statutory compliance for the receipt, acceptance, processing and payment of non-electronic claims. The "Prompt Payment Procedures Plan For Non-Electronic Claims" shall include, but not be limited to, the following:

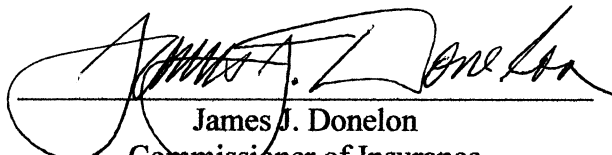
1. A process for documenting the date of actual receipt of non-electronic claims;
2. A process for reviewing non-electronic claims for accuracy and acceptability; and
3. A process for prevention of loss of such claims.

Additionally, pursuant to R.S. 22:250.33.C, health insurance issuers and HMOs are required to submit to the Department, for approval, a document entitled "Prompt Payment Procedures Plan For Electronic Claims" detailing statutory compliance for the receipt, acceptance, processing and payment of electronic claims. The "Prompt Payment Procedures Plan For Electronic Claims" shall include, but not be limited to, the following:

1. A process for electronically recording the time and date of actual receipt of electronic claims;
2. A process for electronic review of transmitted claims that assures all such claims received are reviewed for determination of whether such claims are deemed accepted in accordance with R.S.22:250.33.C;
3. A process for reporting all claims not accepted and batches of claims rejected and all defects or reasons known at that time that such claims were not accepted or batches of claims were rejected; and
4. An electronic copy of the health insurance issuer's or HMO's Payer's Companion Guide in accordance with the United States Department of Health and Human Services standards for electronic transactions. Additionally, health insurance issuers shall be required to file with the Department of Insurance an attestation that verifies that the Payer's Companion Guide(s) submitted shall be the specific Payer's Companion Guide(s) utilized by the health insurance issuer or HMOs in the determination of claims pursuant to R.S. 22:250.31 et seq.

Furthermore, all health insurance issuers and HMOs are required to submit to the Department their current claims address and to advise the Department, in writing, of any change of the claims address. As a courtesy to the healthcare industry, a list of the current claims addresses for all health insurance issuers and HMOs will be maintained on the Department's web site. All health insurance issuers and HMOs are to comply with Bulletin No. 06-01 on or before **May 1, 2006**.

Submission of the "Prompt Payment Procedures Plan For Non-Electronic Claims" and the "Prompt Payment Procedures Plan For Electronic Claims" should be submitted to the Deputy Commissioner, Office of Health Insurance, 1702 North Third Street, Baton Rouge, LA 70802, or P. O. Box 94214, Baton Rouge, LA 70804-9214. Specific inquiries regarding Bulletin No. 06-01 should be directed to Claire Lemoine, Chief Health Attorney, electronically at <clemoine@ldi.state.la.us> or by telephone at (225) 342-1355.



James J. Donelon
Commissioner of Insurance